

City Council Budget Work Session

April 27, 2015

Focus Areas for Strategic Plan FY2016-2020

Create a Safe Place

The City will create a safe, inclusive community with neighborhood/area based public safety and support services.

Foster a Prosperous, Thriving Economy

The City will promote opportunity and prosperity by fostering sustainable, regionally coordinated economic growth and development strategies for creating jobs, building a strong workforce, facilitating commerce and business vitality.

Promote Culture, Arts and Public Spaces

The City will provide unique, creative open space, parks and community facilities integrated with arts and cultural activities for all.

Support Efficient Transportation Systems

The City will advocate for, develop and maintain diverse modes of transportation needed for an inclusive, connected community. Greenways, pedestrian and bicycle amenities and a regionally focused multimodal transportation system will increase mobility and regional connectivity.

Engage in Civic Partnerships

The City will build and improve partnerships, collaborations and relationships with all stakeholders, including our citizens and public and private organizations.

Provide Sustainability and Adaptability

The City will protect and preserve our natural resources with quality design for the built environment. The City will make strategic decisions focused on the long-term financial, physical and social health of the entire City to enhance our ability to respond to changing economic and demographic conditions. Our actions will be based on a shared commitment to inclusiveness, equity and continuous improvement.

FY 2015 General Fund Projected Year End Budget

FYE 2014 Fund
Balance
\$28,148,026
30.2%

	FY 2014-15 Adopted Budget	FY End 2014- 15 Projected	
Revenue			
Property Taxes	53,546,882	54,201,324	
Sales Taxes	19,548,312	20,429,627	
Licenses & Fees	2,307,459	1,153,730	
Intergovernmental	12,494,323	12,664,451	
Charges for Services	2,321,801	2,396,210	
Fines & Forfeitures	133,700	229,276	
Interest Earnings	100,143	114,789	
Miscellaneous	70,600	239,543	
Appropriated Fund Balance	610,000	-	
TOTAL REVENUES	91,133,220	91,428,949	0.32%
Expenditures			
Departmental Budgets	71,098,191	69,635,485	
Non-Departmental Sundry	7,516,883	7,452,056	
Outside Agencies	1,229,983	1,396,902	
Economic Incentives	275,000	275,000	
Contingency	150,000	-	
Transfer to Debt Service Fund	9,334,832	9,334,832	
Transfers to Other funds	1,528,331	1,528,331	
TOTAL EXPENDITURES	91,133,220	89,622,606	-1.7%
		1,806,343	

Fund Balance Appropriations to Date

Appropriated at FY15 Budget Adoption	7/14	610,000
Encumbrances rolled from FY14	7/14	390,305
Inland Greens Golf Course Phase I and II	10/14	345,355
Coastal Horizons (re-appropriation)	1/15	30,850
Entrepreneur Center (re-appropriation)	1/15	70,000
Tree Removal Contract	2/15	101,350
MPO - Legal Fees	2/15	16,852
Raleigh Street Extension	3/15	300,000
Close Monkey Junction Annexation Project	3/15	103,731
Demolitions, Abatements, and Boardings	3/15	19,400
		\$1,987,843

FY 2015-16 Budget Development

FY 2016 Priorities

- Quality Core Services
- Market Pay to Employees
- Succession Planning
- Continue 80/20 CIP
- Transportation Bond Projects

FY 2016 Priorities

- Youth Violence Reduction
- Public Safety Support
- Economic Development
- Affordable Housing

Budget Pressures & Challenges

- Loss of Privilege License Tax (\$2.3M)
- Other General Assembly actions
- Mid-Year Police Budget Increases (\$816,680)
- Support for Capital Projects (80/20 Plan) (\$41.1M)
- Support for Streets & Sidewalks Bond (2 cents on tax rate)
- Economic Development
- Liability & Workers Comp Claims

Budget Pressures & Challenges

- Tree Maintenance
- IT Infrastructure
- Department Requests for Expanded Service Delivery

PD Staffing Resources for Community Relations/Youth

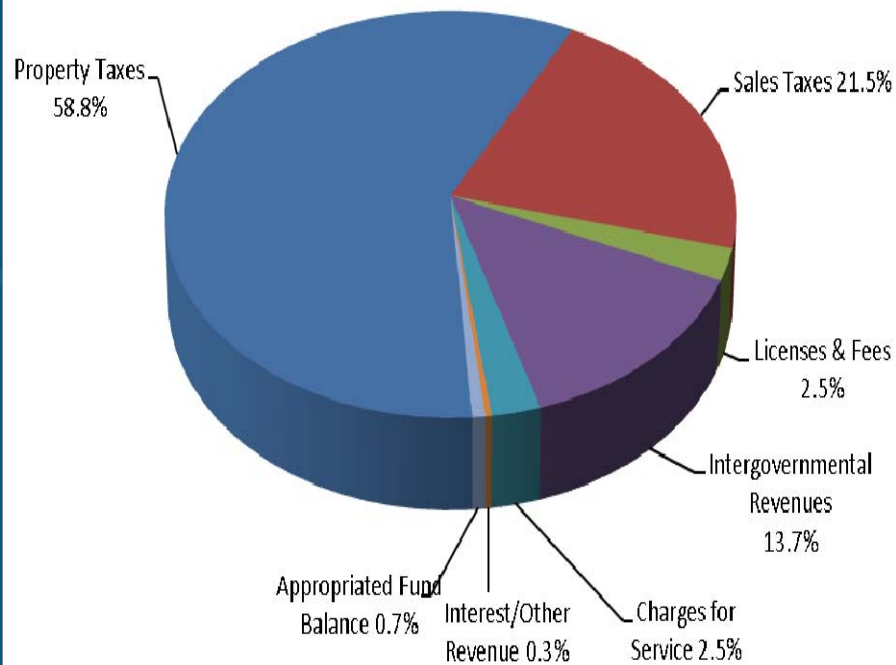
Department/Division	Staffing	Annual Estimated Personnel Costs
Police Department	Community Relations/Public Information Officer - This position dedicates approximately 35% of her time to working with youth related activities for the Wilmington PD.	28,783.60
Police Department	Four (4) School Resource Officers (Cost estimation based on officer serving 9 out of 12 months in a school setting).	192,101.00
Police Department	Four (4) Gang Investigative Unit staff members consisting of a Sergeant, Corporal and two Officers serve approximately 25-30% of their time dedicated to youth crime prevention and intervention.	69,347.00
		290,231.60

General Fund Revenue Projections

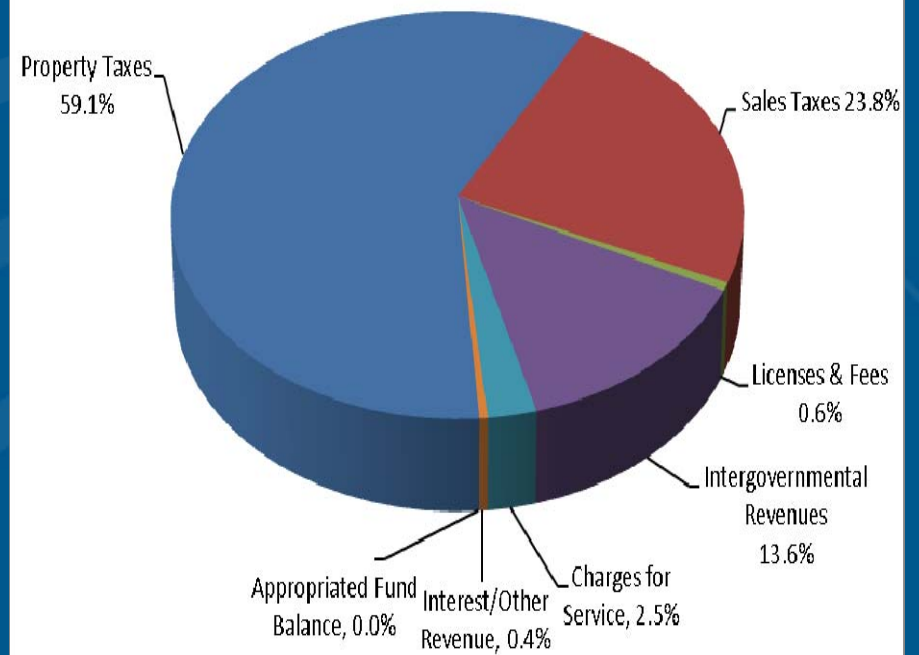
	Original Forecast FY 2016	4/27/15 Preliminary	Change (\$)
Property Taxes	54,605,620	54,780,889	175,269
Sales Taxes	20,133,027	22,026,474	1,893,447
Licenses & Fees	580,434	584,808	4,374
Intergovernmental	12,563,412	12,569,740	6,328
Charges for Services	2,329,887	2,329,887	-
Fines & Forfeitures	133,700	133,700	-
Interest Earnings	101,144	204,358	103,214
Miscellaneous	70,600	70,600	-
<u>Appropriated Fund Balance</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	90,517,824	92,700,456	2,182,632

General Fund Revenue

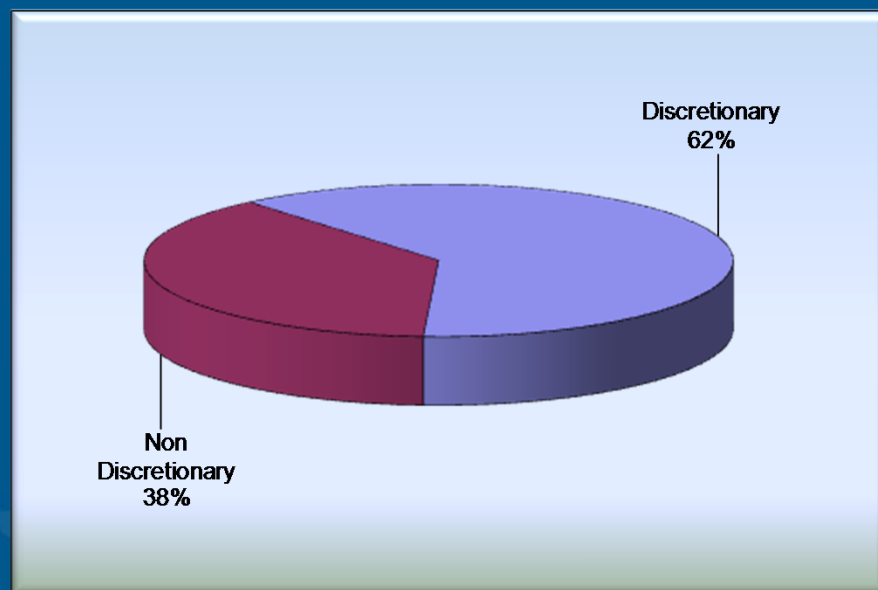
FY 2015 Adopted Budget Revenue



FY 2016 Projected Budget Revenue



Discretionary vs. Non-discretionary



Property Taxes	53,546,882
Charges for Service	2,321,801
Appropriated Fund Balance	610,000
<hr/>	
Local Sales Taxes	19,548,312
Licenses, Fees, and Permits	2,307,459
Intergovernmental Revenues	12,494,323
Interest/Other Revenue	<u>304,443</u>
	\$91,133,220

General Fund Budgeted Revenues FY 2014-15



FY 2016 General Fund Preliminary Budget

	Original Forecast FY 2016	4/27/15 Preliminary	4/27/15 Preliminary
Property Taxes	54,605,620	54,780,889	54,780,889
Sales Taxes	20,133,027	22,026,474	22,026,474
Licenses & Fees	580,434	584,808	584,808
Intergovernmental	12,563,412	12,569,740	12,569,740
Charges for Services	2,329,887	2,329,887	2,329,887
Fines & Forfeitures	133,700	133,700	133,700
Interest Earnings	101,144	204,358	204,358
Miscellaneous	70,600	70,600	70,600
<u>Appropriated Fund Balance</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	90,517,824	92,700,456	92,700,456
	Original Forecast FY 16	FY 16 Departmental Requests	FY 16 Preliminary
Departmental Budgets	72,834,358	78,389,899	74,581,299
Non-Departmental Sundry	7,685,840	8,084,964	8,031,910
Outside Agencies	1,102,771	1,235,063	1,203,756
Economic Incentives	125,000	275,000	332,224
Contingency	100,000	100,000	100,000
Transfer to Debt Service Fund	9,334,832	9,334,832	9,334,832
<u>Transfer to Other Funds</u>	<u>1,214,287</u>	<u>1,067,298</u>	<u>1,579,434</u>
Total Expenditures	92,397,088	98,487,056	95,163,455
Surplus/(Shortfall)	(1,879,264)	(5,786,600)	(2,462,999)
Cents on the tax rate	1.5	4.7	2.0

What's Included in Preliminary Budget

Revenues

- Tax Rate at \$0.46/per \$100 of assessed valuation
 \$.41 for General Fund
 \$.05 for continuation of the 80/20 plan
- 3% sales tax growth includes 10% current year growth (strengthening economy, broadened base)
- 2% increase in tax base
- Assumes NO state tax policy/distribution changes

What's Included in FY 2016 Preliminary Budget?

Salary & Benefits, job market analysis,
office equipment \$1,640,334

CIP, Streets & Sidewalks Bond
support (7 positions, 1 vehicle) 594,594

Technical positions (2), City-wide
GIS 156,981

What's Included....

WFD safety gear, safety equipment/ Maintenance, vehicle maintenance	83,700
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WPD mid-year approval 8 detective Positions, vehicles, community initiatives, training, printers, software	612,588
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WPD – 1 admin position, annual maintenance contracts	140,337
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What's Included....

Youth violence prevention, affordable housing, economic development, intern program, 2nd year agency funding, civic partnership agencies, Council contingency

1,467,660

Transfers:

Safelight, End Homelessness, MPO, S.A.B.L.E., Affordable Housing Summit, CDBG/HOME

1,579,434



What's Included....

WAVE (includes 2 nd fund balance Contribution)	1,442,822
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Council chambers screen & lighting, vehicle & equipment for Parks, new Land Development Code, WFD vehicles	586,785
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MPO Transfer FY2016

Changes to City Match Contribution

Change in 5303 Match	(798)
Traffic Demand Mgmt	21,065
Prior Year (104(f))	8,426
Market St	15,000
Attorney Fees	16,852
<i>FY 15 to FY 16 Match Change</i>	60,545

Changes to City "Unallocated" Contribution

Increase in Salaries	16,923
Increase in Benefits	4,233
Loss of 5303 Grant Revenue	18,940
TDM budget over by \$100	100
PC and MKT st Revenue Credit	(9,598)
Traffic Counter equipment	6,000
Computer Lease	750
Fleet & GPS Increase	3,074
Insurance Increase	137

"Unallocated" Change FY15 to

FY16 **40,559**

Total City Contribution increase FY 15 to FY 16

\$ 101,104

What's NOT included...

- Additional staffing resources for Internal Audit (1) \$65,480
- Additional staffing resources for IT (1) \$72,000
- Additional staffing (5) and operating resources for Finance \$318,636

What's NOT included...

Rollout of Community Policing

Total program as presented

During Nov. 24, 2014 work

Session

\$2,921,000

Additional staffing and operating

Resources requested by

Departments

\$628,134

Preliminary Recommended Budgets - Other Funds for FY 2016

FY 2016 Storm Water Fund



Revenues	\$9,949,469
Expenditures	
Operating	\$5,199,240
Nondepartmental	\$ 859,363
Debt Service	\$3,290,866
Contingency	\$ 100,000
Transfer to CIP	<u>\$ 500,000</u>
	\$9,949,469

FY 2016 Solid Waste Fund



No Rate
Increase

Revenues	\$9,302,976
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Expenditures

Operating	\$9,252,976
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Contingency	<u>\$ 50,000</u>
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	\$9,302,976
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FY 2016 Parking Fund



Revenues

Charges for Service	\$3,494,024
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Expenditures

Operating	\$2,295,758
Debt Service	\$ 815,561
Contingency	<u>\$ 382,705</u>
	\$3,494,024

FY 2016 Golf Course Fund



Revenue

Charges for Service	\$1,493,756
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Expenditures

Operating	\$1,362,756
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Contingency - Muni	\$ 36,000
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Contingency – Inland Greens	<u>\$ 95,000</u>
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	\$1,493,756
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Average 35% rate increase instituted in FY 2015
with an additional 10% scheduled for FY 2016



Other Funds Unassigned Fund Balance Estimated at FYE 2015

Storm Water Fund	\$4.7M
Parking Facilities Fund	\$2.4M
Solid Waste Fund	\$2.0M
Golf Course Fund	\$0.3M

These amounts do not include any proposed usage for FY 2016.



Budget Balancing Strategies

- Core Service Reductions
- Tax Rate Change
- Use of Fund Balance

Tax Rate



= \$1,240,317

Impact on an average sales price of \$223,600

*= \$22.36/year OR
\$1.86 per month*



Source: Wilmington Regional Association of Realtors –
February 2014



Proposed Fee Schedule Changes:

- Remove all license fees with the exception of beer/wine & taxi cabs
- Add the North Waterfront Park to the Facility Rental Fees section of Parks and Recreation
- Increase Storm Water ERU fee by 5.9%. Rate increase will go from \$6.83 to \$7.23 per ERU
- Solid Waste/Refuse
 - Establish an activation fee of \$25 for all new customer accounts
 - Establish a deposit fee equal to one billing cycle, or two months of service to all new accounts

Proposed Fee Schedule

Changes: *(continued)*

- Fire Protection and Other Service Charge increases in Fire Department
- Convention Center Parking Deck rate:
 - Increase from \$1 to \$2/hour for the second and third hour, then reverting back to \$1/hour thereafter
 - The Daily Maximum rate is increasing from \$11 to \$13
 - Addition of a Lost Ticket Charge of \$13
 - Addition of a \$5 and \$7 fee for Events Parking

Proposed Fee Schedule Changes *(continued)*

- Average increase of 10% to the Municipal Golf Course greens fees and discount cards
- Inland Greens Golf Course fees are currently under discussion and review

10% Rate Increase at Muni – Average Rate of \$20.73
 15,000 Rounds at Inland Greens at an average rate of \$9.75

FY2016

REVENUE

MUNI	\$1,493,756
INLAND GREENS	\$ -----
	<u>\$1,493,756</u>

EXPENSES

MUNI	\$1,316,747
INLAND GREENS	\$ 82,242
	<u>\$1,398,989</u>

SURPLUS (SHORTFALL) \$ 94,767

FY2017

REVENUE

MUNI	\$1,493,756
INLAND GREENS	\$ 176,250
	<u>\$1,670,006</u>

EXPENSES

MUNI	\$1,345,153
INLAND GREENS	\$ 345,448
	<u>\$1,690,691</u>

SURPLUS (SHORTFALL) \$ (20,595)

**Muni and Inland Greens Revenues and Expenditures through FY20
Scenarios**

10% INCREASE AT MUNI (AVG RATE OF \$20.73) AND 15,000 ROUNDS @ \$9.75/ROUND AT IG	Estimated FY 2014-15	Estimated FY 2015-16	Estimated FY 2016-17	Estimated FY 2017-18	Estimated FY 2018-19	Estimated FY 2019-20
Greens Fees	552,300	1,119,125	1,119,125	1,119,125	1,119,125	1,119,125
Cart Rentals	300,000	222,383	222,383	222,383	222,383	222,383
Concessions	150,000	150,000	150,000	150,000	150,000	150,000
TOTAL REVENUE MUNI	1,002,300	1,491,508	1,491,508	1,491,508	1,491,508	1,491,508
Greens Fees	-	-	146,250	146,250	146,250	146,250
Concessions	-	-	30,000	30,000	30,000	30,000
TOTAL REVENUE INLAND GREENS	-	-	176,250	176,250	176,250	176,250
Interest Earnings	1,813	2,248	2,248	2,248	2,248	2,248
TOTAL MISC REVENUES	1,813	2,248	2,248	2,248	2,248	2,248
TOTAL REVENUES	1,004,113	1,493,756	1,670,006	1,670,006	1,670,006	1,670,006
TOTAL MUNI EXPENDITURES	1,282,047	1,316,747	1,345,153	1,378,205	1,412,126	1,420,940
TOTAL INLAND GREENS EXPENDITURES	79,169	82,242	345,448	341,074	351,467	362,135
TOTAL EXPENDITURES	1,361,216	1,398,989	1,690,601	1,719,279	1,763,593	1,783,075
SURPLUS / (SHORTFALL)	(357,103)	94,767	(20,595)	(49,273)	(93,587)	(113,069)
Fund Balance	280,512	375,279	354,684	305,411	211,824	98,756
Minimum Unassigned Fund Balance Required	272,243	279,798	338,120	343,856	352,719	356,615
Unassigned Fund Balance	251,502	325,674	276,401	182,814	69,746	
Fund Balance Test - Undesignated Greater than Minimum	NO	YES	NO	NO	NO	NO
	18.48%	23.28%	16.35%	10.63%	3.95%	
Inland Greens Net Income (Loss)	(79,169)	(82,242)	(169,198)	(164,824)	(175,217)	(185,885)

5% Rate Increase at Muni – Average Rate of \$19.79
 15,000 Rounds at Inland Greens with a 28% increase at an
 average rate of \$12.50

FY2016

REVENUE

MUNI	\$1,443,114
INLAND GREENS	\$ -----
	<u>\$1,443,114</u>

EXPENSES

MUNI	\$1,316,747
INLAND GREENS	\$ 82,242
	<u>\$1,398,989</u>

SURPLUS (SHORTFALL) \$ 44,125

FY2017

REVENUE

MUNI	\$1,443,114
INLAND GREENS	\$ 217,500
	<u>\$1,660,614</u>

EXPENSES

MUNI	\$1,345,153
INLAND GREENS	\$ 345,448
	<u>\$1,690,691</u>

SURPLUS (SHORTFALL) \$ (29,987)

Muni and Inland Greens Revenues and Expenditures through FY20
Scenarios

**\$19.79/ROUND WITH A 5% INCREASE AT
MUNI AND 15,000 ROUNDS WITH AN
INCREASE OF 28% FOR \$12.50/ROUND AT
IG**

	Estimated FY 2014-15	Estimated FY 2015-16	Estimated FY 2016-17	Estimated FY 2017-18	Estimated FY 2018-19	Estimated FY 2019-20
Greens Fees	552,300	1,068,483	1,068,483	1,068,483	1,068,483	1,068,483
Cart Rentals	300,000	222,383	222,383	222,383	222,383	222,383
Concessions	150,000	150,000	150,000	150,000	150,000	150,000
TOTAL REVENUE MUNI	1,002,300	1,440,866	1,440,866	1,440,866	1,440,866	1,440,866
Greens Fees	-	-	187,500	187,500	187,500	187,500
Concessions	-	-	30,000	30,000	30,000	30,000
TOTAL REVENUE INLAND GREENS	-	-	217,500	217,500	217,500	217,500
Interest Earnings	1,813	2,248	2,248	2,248	2,248	2,248
TOTAL MISC REVENUES	1,813	2,248	2,248	2,248	2,248	2,248
TOTAL REVENUES	1,004,113	1,443,114	1,660,614	1,660,614	1,660,614	1,660,614
TOTAL MUNI EXPENDITURES	1,282,047	1,316,747	1,345,153	1,378,205	1,412,126	1,420,940
TOTAL INLAND GREENS EXPENDITURES	79,169	82,242	345,448	341,074	351,467	362,135
TOTAL EXPENDITURES	1,361,216	1,398,989	1,690,601	1,719,279	1,763,593	1,783,075
SURPLUS / (SHORTFALL)	(357,103)	44,125	(29,987)	(58,665)	(102,979)	(122,461)
Fund Balance	280,512	324,637	294,650	235,985	133,006	10,546
Minimum Unassigned Fund Balance Required	272,243	279,798	338,120	343,856	352,719	356,615
Unassigned Fund Balance	251,502	265,640	206,975	103,996	(18,464)	
Fund Balance Test - Undesignated Greater than Minimum	NO	NO	NO	NO	NO	NO
	18.48%	18.99%	12.24%	6.05%	-1.05%	
Inland Greens Net Income (Loss)	(79,169)	(82,242)	(127,948)	(123,574)	(133,967)	(144,635)

Next Steps

- April 27 – Council Work Session
- May 8 – Recommended Budget to Printer
- May 19 – Formal Presentation to Council
- June 2 – 1st Reading & Public Hearing
- June (?) – Council Work Session
- June 16 – Council adopts Budget
- Week of June 23 – special meeting if necessary

City Council Feedback/Direction